

**MINUTES OF THE MEETING OF THE
UNIFORM COMMERCIAL CODE COMMITTEE
OF THE BUSINESS LAW SECTION
OF THE STATE BAR OF CALIFORNIA**

**Friday, September 28, 2007
(3:00 p.m. to 5:00 p.m.)
In Person Meeting
Anaheim Marriott Hotel
700 West Convention Way, Anaheim, California**

The September 28, 2007 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 3:00 p.m., with Barry Dubin presiding. Barry welcomed all new Committee members to the meeting.

A. ADMINISTRATIVE MATTERS

1. Roll Call/Attendance. Please refer to the attendance sheet at the end of the minutes.

2. Consideration/Approval of August 7, 2007 Meeting Minutes. The minutes of the August 7, 2007 meeting were approved.

3. Future Meeting Dates and Sites.

a. November/December/January Meetings – to be held on the following dates via video conference at 9:30 a.m. in the San Francisco and Los Angeles offices of Morrison & Foerster, subject to confirmation of availability of videoconference equipment:

- (1) Thursday, November 1, 2007
- (2) Tuesday, December 4, 2007
- (3) Tuesday, January 8, 2007

b. Future Meetings – to be discussed.

4. Status of Applications to Committee. Jim Cochran reported that all applicants approved by the Committee have been appointed and there are no pending applications.

5. Subcommittee Membership: Barry Dubin called the Committee's attention to the Subcommittee Roster and explained that substantially all of the Committee's work is done through subcommittees. He asked all members, especially newly-appointed members, to review the Roster and volunteer to serve on subcommittees.

B. MAIN AGENDA ITEMS

1. Debtor Names Subcommittee

Jan Kosel led a discussion of whether the Committee should sponsor an Affirmative Legislative Proposal similar to the Texas legislation, which was designed to create a “safe harbor” for identifying the debtor’s name on a financing statement. After discussion, it was agreed that the matter should return to the Subcommittee for further discussion, taking into account, among others, the following considerations: (a) how easy is it to get a drivers’ license in various states (would it be possible to have multiple drivers’ licenses from multiple states at the same time); (b) how easy is it to change names on drivers’ licenses – for example, by advising that there has been a marriage or a divorce; (c) what percent of filings involve individual debtors; (d) with respect to provisions regarding organizational documents, how does the legislation change what is already happened under Revised Article 9; (e) without a coordinated national effort to make changes, is it a good idea to have a few states enact non-uniform legislation?

2. Commercial Money Center Case and article

Vasco Morais reported that he will shortly be circulating a revised draft of his article to the subcommittee for comment. He noted that due to the timing of the upcoming meeting of the UCC Permanent Editorial Board, the Committee should consider submitting comments in a different format so that the Committee’s input can be considered by the PEB at its meeting. He also called members’ attention to the fact that the subcommittee could use additional members. The subcommittee will prepare a letter of comments for the PEB and circulate it to the Committee so that the letter can be delivered to the PEB before its next meeting.

3. Bogus UCC Filings

Edith Warkentine led a discussion of whether the Committee should sponsor an Affirmative Legislative Proposal to amend existing California law regarding civil remedies for bogus financing statements. After discussion, it was agreed that the Committee should maintain a role of expert advisor on the issue rather than becoming an advocate of a particular position. In this connection, Kathleen Vasquez reported that the Secretary of State’s office is forming an advisory committee with law enforcement personnel to get input on the bogus financing statement issue and to determine whether it wishes to take any particular action at this time. The Committee requested that she keep us advised on the status of any decisions made at the Secretary of State’s Office so that we can provide input as appropriate. In addition, it was agreed that the subcommittee should redo the memo written for the Secretary of State’s Office to try to influence the sponsor of legislation to stay as close as possible to the status quo and in any event not to pass legislation that would interfere with filing or the filing office.

4. Full Payment Check Subcommittee

Patrick Costello reviewed with the Committee his memorandum summarizing the research and views of the subcommittee, leading to a conclusion that reconciliation of the

California Civil Code and Commercial Code provisions regarding full payment checks is not possible, and a recommendation that the Civil Code provision be repealed. The Committee voted to adopt that report and recommendation and authorized the subcommittee to prepare a letter to communicate that position to the legislator or the California Law Revision Commission, where the request for this research and recommendation originated.

5. **Revised Insolvency Committee Proposal on CCP 697.530.**

Barry Dubin led a discussion of the revised Insolvency Committee Proposal on CCP 697.530, the Committee's initial comments on it, and subsequent comments made by Steve Weise and Harry Sigman. It was agreed that all of the comments should be consolidated into one document to be forwarded to the Insolvency Law Committee. Jay Bingham, the Insolvency Law Committee liaison, stated that he anticipated that all of the comments would be received without objection.

6. **Hidden Liens Project**

Elliot Hinds led the discussion of how to finalize the initial Hidden Liens Report. It was agreed that the report would be available electronically for members of the Business Law Section and would continue to be updated. Accordingly, in the interest of finalizing the project, members were asked to send any additional comments on the Introduction to Elliot within one week and he was authorized to incorporate those comments as he sees fit. In any event, the goal is to continue to move this project forward to completion.

7. **AB 1484 and 1168.**

Barry Dubin reported that the Committee's comments on AB 1484 were accepted with slight changes, which were satisfactory to us. AB 1168 was changed to provide that it did not permit the Secretary of State's Office to reject financing statements submitted for filing.

C. **SUBCOMMITTEE AND OTHER REPORTS**

1. **Legislation and Case Law Tracking Subcommittee.**

There was no report.

2. **Website Development and E-Communications Subcommittee**

Vasco reported on a new e-blast that would shortly be sent to the Committee's constituency.

3. **Uniform Assignment of Rents Subcommittee**

Wansun Song reported that this subcommittee needs an additional member. Interested members should contact Wansun.

4. Deposit Control Agreements

There was no report.

5. Publications and Programs Subcommittee.

Barry Graynor and Edith Warkentine will speak at the Committee's scheduled program at the State Bar Annual Meeting on UCC and Commercial Law update – September 30, 2007, 8:30 am-9:30 am.

6. Liaison Subcommittee

There was no report.

7. E-Commerce Subcommittee

There was no report.

8. BLS Model Opinion Project

Edith Warkentine reported that Tim Hoxie is completing work on the first draft of the model opinion letter. It will be circulated to the Business Law Section Opinions Committee membership for comment before the Committee's input is solicited.

D. LIAISON UPDATES

1. Status Report from Executive Committee. There was no report.

2. Status Report from Insolvency Law Committee. John Jay Bingham thanked the Committee for its input on his committee's proposal regarding CCP 697.530. He commented on some other projects his committee is working on.

3. Status Report from Corporations Committee. There was no report

There were no other liaison reports.

E. OTHER ITEMS NOT ON AGENDA

None.

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The meeting was adjourned at approximately 5:00 p.m.

Attendance at the September 28, 2007 Meeting:

Jim S. Cochran	Present
Barry A. Dubin	Present
Janice E. Kosel	Present
Wansun Song	Present
Harry C. Sigman	Present
Ariel Berrios	Present
Peter S. Burke	Present
Karl H. Christiansen	Present
Kevin C. Cops	Present
Patrick Costello	Present
Jennifer Dinkelman	Absent
Michael DuQuesnay	Present
Francis X. Ferrer	Absent
Zachary S. Finley	Present
Barry A. Graynor	Absent
Elliott Hinds	Present
George Kalikman	Present
Sandra Lee Montgomery	Present
Vasco H. Morais	Present
John C. Oehmke	Present
Theotis F. Oliphant	Absent
Brenda H. Ruttenberg	Absent
Robert Sherman	Absent
Jane K. Springwater	Present
Robert A. Trodella, Jr.	Present
Demetria Vong-Spillan	Absent
Edith R. Warkentine	Present
Troy Zander	Present
Pauline M. Stevens (Ex Com Liaison)	Absent
John Jay Bingham (Insolvency Law Committee liaison)	Present
Nina Hong (Corporations Committee liaison)	Absent

Also present:

Kathleen Vasquez, Ed Maxwell, Leila